

America's

FUTURE

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INEFFICIENT GOVERNMENT

Plans by the dozens are coming out of Washington -for government management of schools, housing, medicine, electric power, farming, everything the bureaucrats can think of. This is therefore a good time to ask an important question. Aside from the built-in evils of Big Government, can federal bureaucrats really run an activity more efficiently and cheaper than private citizens or their state and local governments? We need not guess at an answer. A look at one

example of federal-government activity - the national highway program - is revealing. It is fairly new and so should have profited by all the older mistakes of government interference in things which rightly belong to the states, localities and their citizens.

The national government decided to go in for building highways six years ago. Up to that time, the states, counties and cities had managed quite well to keep up with the growing need for more and better roads. Under the fed-

eral government's plan, the national treasury puts up \$90 for every \$10 which a state spends on roads. Of course the Treasury does not have the \$90. Before it can give them to a state to build roads, it must get them from you - the American taxpayer. And you are certainly being taken, as the saying goes. As is inevitable when Washington bureaucrats run anything, the cost of the highway program has nearly doubled in six short years from the original estimate. Besides this, the whole program has developed into aprime example of scandals, graft and sheer waste. Last year a Senate committee looked into merely a few projects in one state. Witnesses testifying about corruption and crooked deals took the Fifth Amendment more

than 200 times! Now it turns out that the same conditions are flourishing in many other states under the national government's highway program. A House Committee, hardly yet scratching the surface, finds new highways that fall apart before a car or truck ever gets to use them; graft, chiseling, favoritism among contractors, unions, state officials; faulty materials and faked specifications.

Now it is easy to get mad at the federal bureaucrats for all this. But the real blame lies in permitting these activities to be carried on by faraway Washington, where they cannot be watched carefully by the citizens who put up all the money - and wind up paying double for inefficiency, graft and corruption.

KILLING THE CAT

A reader who noted our recent comments about the theories of socialist-minded professors in Washington for the future of America, thinks we are unduly worried. He says he works for a large private company and he doesn't see any signs of the government trying to take it over.

Of course he doesn't. If

he did, he probably would be up in arms at the idea of having to work for the government, the way everybody in Soviet Russia does. But the complacency of this citizen about the trend in Washington is a fine example of the old English novelist's remark that there are more ways of killing a cat than choking it

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with cream. The private, free-enterprise system, which provides this man's and everybody else's job, can be killed without a government official ever walking into a factory manager's office and saying: Get out - we're taking over.

The secret, as the social-planning professors are well aware, lies in the taxing and borrowing power of the federal bureaucrats and the things on which they spend other people's money. For example, it may seem like a wonderful and idealistic thing to establish a so-called Peace Corps, or for the federal government to concern itself with juvenile delinquency. Perhaps you be-

lieve that only Washington bureaucrats are capable of building schools and paying teachers' salaries, or that the best way to get cheap electricity is for the government to run power plants in competition with private utilities. Maybe your heart really bleeds for rundown areas in our cities and towns, for the backward and underdeveloped nations of the world, for the medical problems of old folks and others, for poor housing, or inefficient farmers - and you feel Washington is the only place where these problems can be dealt with.

But the fact is that there is only one sane, sound - and constitutional - way in which to solve such problems, assuming they can be solved which is not always true. That is through the efforts of private citizens acting on their own or, where necessary, through their local and state governments.

The second and overriding fact is that all these things cost money - a great deal of money - and the national government has no money of its own. It can get money to spend on all these welfare and other projects only by taking it away from private

individuals and private industry, or by borrowing it. Put differently, there is only one source of funds for everything we do. That is the productive enterprise of the nation. Welfare and other activities of government are non-productive - they must be paid for out of the productive earnings of private enterprise through taxes, or out of its future earnings through borrowing and inflation.

You can see, therefore, that there is another way - besides walking in and taking over - to kill the free enterprise system which makes all our jobs. That is to allow the non-productive welfare activities of the government to grow so numerous and so enormous that they milk the private enterprise system of all its substance. In other words, the free productive system must, at

that point, not only provide jobs, profits, and funds for expansion, but it must also bear the tremendous burden, through taxes or inflation or both, of supporting giant bureaucratic handout schemes. Nobody has yet invented an economic system which can stand up under an assault like this and remain either free or prosperous. For instance, there is a large chemical concern which last year paid approximately 55 percent of its earnings to the federal government, leaving only 45 percent for its shareholders. What happens when the federal government's share gets to be 60 or 80 or 99 percent? That's as good a way to socialize an industry as to hold a gun at the company president's head and tell him that he and his employees are now working for the federal bureaucrats.

BANKRUPT THEORIES

Every American holding or seeking a job of any kind has a stake in the protection and preservation of the private capitalist economy from the weird theories of these professorial planners in Washington. Our system already has been badly diluted with

their theories over the past quarter century. Could this be why we hear so much about large unemployment in a period of seeming prosperity? We have reported to you how the West German leaders rejected completely these same ideas of the socialist plan-

ners for big government spending, inflation, easy credit and government interferences in private industry. Instead, the West Germans left free, and encouraged in every way possible, a private enterprise economy. Today West Germany, despite the fact that she has absorbed more than four million refugees from the East and continues to absorb them at the rate of thousands per month, is going to stop collecting

taxes for unemployment insurance for six months. There is practically no unemployment in West Germany, so there are no calls on unemployment funds. In fact there is actually a shortage of workers.

Is it not strange that we in the United States, faced with so much proof of the bankruptcy and failure of these disguised socialist theories, now permit their advocates to form our policy for us?

Foregoing items covered in Mutual network broadcast 6/25/61

Book Review

USEFUL IDIOTS AND THEIR USERS

THE KHRUSHCHEV PATTERN by Frank Gibney, 208 pages, Duell, Sloan & Pearce, N. Y., \$4.95.

Mr. Gibney, writer, correspondent, editor, and, with Peter Deriabin, author of *The Secret World*, has written a highly informative and interesting analysis of communism's current methods of achieving its ends. The objective has not changed - world domination by international communism - but the means of attaining it have, accordingly as the need arises in varied areas of the world. The

Khrushchev pattern is not the Stalin pattern. Mr. Gibney's book is therefore of pressing importance because you can win against an enemy only if you understand his tactics.

The Khrushchev pattern in a nutshell, as Mr. Gibney's subtitle says, is "Coexistence and Its Workings Through International Communism." Khrushchev, of course, has not abandoned Stalin's long-range strategy. He has merely changed somewhat (in view of the possibility of complete annihilation from nuclear war) and improved to some degree

Stalin's tactics in the world outside the Soviet Union.

The author takes a close and revealing look at communist strategy and tactics in the Middle East, in Latin America, in China, Japan and the Far East, in India, Africa, Europe and the Soviet Union itself. In some of these spots Red strategy is making headway; in others it is not doing so well. But everywhere the communists "have always needed a spongelike mass support around them, to swell their triumphs and to cushion their adverse moments." These are what we call fellow-travellers or communist sympathizers or left-wingers or deluded 'liberals.' But Lenin coined a better phrase for them. He called them "useful idiots." Mr. Gibney says Lenin first applied it to the socialists, but "it is a good phrase for describing the communist follower, whether he is a left-wing socialist in Japan, a member of the Chilean Popular Front, a professional humanitarian like Jean-Paul Sartre, or an idealistic student from Guinea" and, we might add, any one of a number of American dupes we could name.

The book also contains a fascinating chapter entitled

"Spies With a Difference," which points up the devious methods used by the communists, including forged statements and letters of American officials. Most important, however, is the fact that Soviet spies are engaged not merely in traditional intelligence and counter-intelligence work. They are "a foreign body inserted patiently into the bloodstream of a society, with the object of doing as much damage as possible - whether through direct sabotage, recruitment, covert agitation, or 'provocation.'"

Despite all this, the Khrushchev, or communist, pattern has great weaknesses. The failure of Washington has been in not taking advantage of them. As Mr. Gibney says, it never acts; it merely reacts. We had no plans for the inevitable chaos which ensued in the communist world when Stalin died. This - the change in dictators - is the weakest link in a communist system. The author suggests that plans and preparations be made now for Khrushchev's (he is 66) and Mao Tse-tung's (67) deaths. This is not acting the ghoul; it is plain common sense. Given the accepted futility of nuclear war, "it

is a real political war the communists are waging against civilization now, whether it be fought in the form of incited riots and downed American planes, or trade pacts and deceptive proposals over the conference table. The West would do well to remember that no army ever won a war by

sitting safe in its trenches."

THE KHRUSHCHEV PATTERN also has a long appendix which is a guide to the Communist Parties in each country of the world. So the book is not only good and enlightening reading, but a handy reference work as well.

- Rosalie Gordon

LIKE A PLAGUE

"The purpose of a welfare state is to divide what wealth there is, instead of working hard to create new wealth. Independence and self-reliance on the part of the individual and the family are undermined or destroyed. The something-for-nothing attitude affecting millions of people spreads like a plague.

"So freedom dies. And ultimately a bankrupt, spineless nation dies with it." - Bruce (Miss.) Calhoun County JOURNAL

NO ALTERNATIVE

"The use of tax money to bind up every cut and scratch in our economy, to meet every deficiency in every aspect of our

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national life may be, indeed, the New Frontier. But it presupposes something we do not have -unlimited public funds.

"At the present time this country is financing socialism on the installment plan, pretending to a free economy by increasing the public debt. When the day of reckoning comes there will be no alternative but complete socialism, if the communists don't get us first." - Lancaster (S.C.) NEWS

"The U.S.A. would never vote for Socialism as such, but under the label of Liberalism the people will vote for every fragment of Socialism until one day we'll have it."

-Socialist Norman Thomas, quoted in Glenview (Ill.) CLARION

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